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18 May 1973

SUBJECT: Approval and Funding of Fiscal Year 1974 Operations

1. ID/P, Administration, is formulating a single Clandestine Services procedure for submission, review, and approval of PI, PP, and PI projects. The Comptroller, CIA, is undertaking to standardize allotment procedures for all Clandestine Services projects, and one feature of this standardization will be the placement of all PI projects on a fiscal rather than calendar year basis, as is now the case with PP and PI projects. This move will be made to conform with law and bylaws of the Budget regulations. In the near future we can expect a single project procedure to emerge which will be in line with the new operational programming procedure.

2. Pending advent of the new procedure, the following will govern approval and funding of CS operations for fiscal year 1974:

- a) A consolidation of CS operational program will be submitted shortly to the Senior Staffs and the ID/P Board for consideration. This program would specify all PI, PP, and PI requirements and request approval and funds to carry out these operations during the year. The program will be considered by the ID/P Review Board and submitted to DCI for approval sometime in June.
- b) Approval of the program will constitute automatic renewal of all continuing PP and PI projects and PP and PI portions of joint projects. First quarter allotments of fiscal year 1974 funds to these projects will then be contingent only upon Congressional action on CIA's fiscal year 1974 budget.
- c) PI projects will be resubmitted individually for PI staff review before final approval and funding. CIA will submit PP and PI project outlines during fiscal year 1974 only to begin new projects, to change the fundamental objectives of continuing projects, or to obtain release of funds included in the program on a contingency basis.

4) If the program is not approved by the DDCI before 1 July and Congress has appropriated fiscal year 1954 funds to CIA, the Comptroller will make first quarter allotments to continuing PP and PW projects on the basis of fiscal year 1953 program requests and current project needs. No continuing project will be suspended for lack of funds while its renewal is pending.

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Chief, SR/Administrative Staff